

2023 Modern Slavery Report

1. Introduction

This report is produced by Anchor Danly Inc. and subsidiaries (“Corporation” or “our” or “we”) for the financial year ending December 31, 2023 (the “Reporting Period”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Corporation.

This Report constitutes the first report prepared by the Corporation pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

2. Steps to prevent and reduce risks of forced labour and child labour

Respect of human rights is a fundamental corporate responsibility and consequently is a fundamental principle in our corporate code of conduct.

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Conducted a preliminary initial internal assessment of the risks of forced labour and/or child labour in our supply chains – it has been determined that based on our supply chain, we have relatively low risk.
- Reviewed our hiring practices along with site visits to our facilities to ensure our own activities are free of forced or child labour

3. Structure, activities and supply chains

Anchor Danly Inc. is a corporation, incorporated in the province of Ontario, Canada. Anchor Danly Inc. and its subsidiaries employ ~370 people throughout Ontario and Quebec.

Headquartered in Windsor, Ontario, Anchor Danly Inc. is a manufacturer of rough, ground and machined steel plates, die sets, metal fabrications, and a distributor of related components to the tool, die, mold, automation and other metal-working industries.

The Corporation’s products are manufactured in Ontario and Quebec.

Anchor Danly Inc.’s supply chain consists primarily of North American suppliers. The raw material, components, supplies, and systems required to manufacture Anchor Danly Inc.’s products are generally sourced from suppliers in North America. There are a very limited number of parts sourced from Europe, Australia, China and Mexico, as directed by our customers.

4. Policies, Governance and Due Diligence Process

Code of Ethics – The Corporation’s code of ethics addresses ethical conduct in our work environment, business practices and relationships with external stakeholders. The Corporation believes that honesty and integrity foster a positive work environment for all. The Code of Ethics details the standards of behaviour expected from everyone to whom it applies in their daily activities and dealings with others. The Code of Ethics applies at all times, without exception, to all members of the Board of Directors, the executive team, and all employees. We employ a third party (Ethics Point) to provide an anonymous reporting mechanism where our employees can report any ethical breaches that they are aware of.

Supplier Code of Conduct – The Supplier Code of Conduct details our expectations of suppliers in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, and ethics. This will include not having forced labour and child labour in their operations or in their supply chain. We ask our significant suppliers to sign the code of conduct to confirm that they will abide by our code of conduct.

Reporting and Non-Retaliation Policy – should employees have concerns regarding forced or child labour, they have a responsibility to report their suspicions. Employees can voice such a concern to 1) management or HR, or 2) the Ethics Point hotline which is available to all employees and is accessed by telephone or online.

5. Assessing and managing our risk

Our risk assessment process attempts to identify risks in our supply chain through review of country risk indicators along with type of products or services offered by each supplier. The risk assessment result determines the level of additional due diligence to be performed.

6. Remediation Measures

Our Reporting and Non-Retaliation Policy offer a reporting mechanism for our employees to report ethical or legal violations, among other concerns through a third-party company called Ethics Point. If a situation of non-compliance is identified, the Corporation will work to develop and implement a corrective action plan to improve and remedy the situation.

7. Remediation of Loss of Income

At this time, we are not aware of any vulnerable families that have experienced a loss of income as a result of steps we have taken to eliminate forced labour or child labour risks.

8. Training

All new employees are assigned a mandatory onboarding training package which includes training on our Code of Ethics, use of our Ethics Point hotline and policy of business conduct.

In 2024, the Corporation will begin training all employees on the Act and our related policy.

9. Assessing effectiveness

The Corporation intends to explore different avenues to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

10. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Anchor Danly Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Anchor Danly Inc.

Per:  _____

Full Name: Andrew Joy

Title: Secretary

Director of Anchor Danly Inc.

Date: 5/17/24